

EXECUTIVE OFFICE OF THE PRESIDENT

BUREAU OF THE BUDGET

WASHINGTON 25, D. C.

July 18, 1963

CIRCULAR NO. A-60

TO THE HEADS OF EXECUTIVE DEPARTMENTS AND ESTABLISHMENTS

SUBJECT: Criteria for decentralizing Federal activities from the National Capital region

1. Purpose. Section 3(d) of Executive Order 11035 of July 9, 1962, directs agencies to "review continuously their needs for space in and near the District of Columbia, taking into account the feasibility of decentralizing services or activities which can be carried on elsewhere without excessive costs or significant loss of efficiency." This Circular establishes general criteria to assist Federal departments and agencies in determining the desirability of decentralizing agencies or agency activities from the National Capital region.

2. Background. In a memorandum of November 27, 1962, to the heads of executive departments and establishments and to the Commissioners of the District of Columbia, the President set forth development policies to serve as guidelines for the agencies of the executive branch in fulfilling the objectives of the Year 2000 Plan developed by the National Capital Planning Commission and the National Capital Regional Planning Council. The plan projected a total regional population of five million by the year 2000. Among the assumptions on which that projection was based were that Federal employment in the region would not exceed 450,000 and, secondly, that Federal activities not essential to the seat of government would be located outside of the National Capital region.

The President's ad hoc Committee on Federal Office Space initially proposed criteria for decentralization of activities from the National Capital region. These criteria are refined and clarified in this Circular.

The criteria are designed to provide practical tests for determining whether agencies, new or expanding activities, or existing activities should be located in the National Capital region or located outside of the region through decentralization or delegation of responsibility to existing field facilities. The National Capital region includes the District of Columbia, Montgomery and Prince Georges Counties in Maryland, and Arlington, Fairfax, Loudoun and Prince William Counties in Virginia; the cities of Alexandria and Falls Church in Virginia; and all cities now or hereafter existing in Maryland or Virginia within the geographic area bounded by the outer boundaries of the combined area of aforesaid counties.

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Development of a well-informed judgment on the most desirable location of an agency or activity under review will require balanced consideration of all applicable criteria; no one criterion can be considered conclusive. In such an evaluation, consideration must be given to the needs of the Government as a whole, the relation of the work of the agency to other agency headquarters, and the needs of persons served or affected by the agency or activity.

3. Criteria for location of agencies or activities. In formulating and applying criteria regarding the proper location of an agency or an activity, consideration must be given to its major purpose, its principal working relationships with other governmental and non-governmental activities, and to costs and special requirements.

a. An agency or an agency activity is generally susceptible to location outside of the National Capital region when:

- (1) It performs functions or provides services to clientele in a particular region of the country other than Washington.
- (2) It is engaged in operations to carry out well-defined policies and programs which require only limited day-to-day headquarters supervision.
- (3) It is a regional, district or other field office (unless it can be demonstrated that the workload of the office is predominantly concerned with the National Capital region).
- (4) It provides large-scale supporting services of a relatively repetitive or routine nature, such as records maintenance; procurement and inventory control; training, including the operation of schools; administration of real property and related engineering services; manufacturing; financial accounting and disbursing activities; or statistics and data collection, and related fact-gathering and processing operations.
- (5) It is a review function or administrative service activity which could be performed equally well by field offices exercising general supervision over operating offices.
- (6) It operates in a relatively self-sufficient manner, which does not require it to have close intra-agency or interagency working relationships.
- (7) It requires close coordination with other governmental (Federal, State and local) and non-governmental activities or individuals within a given geographical area other than the National Capital region.

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(8) It requires close coordination or working relationships with other Federal activities which are also susceptible to decentralization or delegation to a common new location or to existing field offices in a common location outside the National Capital region.

(9) Small liaison offices in Washington could effectively meet headquarters needs.

(10) Increased administrative economies, such as in travel, communications, rental, and recruiting, and improved efficiency, as in speed of decision-making or better service to the public, can be achieved through relocation and its initial costs can be justified accordingly.

b. An agency or agency activity is generally not susceptible to location outside the National Capital region when:

(1) It is directed to meeting the needs of the President, the Congress, or agency heads for continuing consultation, direction, and fixing of responsibility for governmental action.

(2) It is concerned with establishing national policies or developing broad principles and programs for nationwide application.

(3) It involves exercising general supervision over agency operations throughout the country to assure that those operations are in accord with general national policies.

(4) It is an activity conducted by persons who require close working relationships with those who make or direct major agency policy and who themselves must be located in the National Capital region.

(5) It requires close coordination or working relationships or continual communication with other headquarters agencies, the Congress, or non-governmental organizations or individuals located in the National Capital region.

(6) The costs of decentralization (including replacement of specialized physical facilities, loss of personnel with specialized skills, special training, relocation, travel, communications, and disruption of current operations) would outweigh benefits to be gained.

(7) Workload would not justify development of additional specialized staffs solely in order to achieve decentralization or delegation.

4. Responsibility for implementation. Responsibility for implementing the provisions of this Circular is assigned as follows:

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a. Department and agency heads. Department and agency heads will utilize the criteria contained in paragraph 3 in continuously reviewing their needs for space in and near the District of Columbia, as required by section 3(d) of Executive Order 11035, and in determining and justifying requests for additional space.

Whenever it is determined that decentralization of an agency or segments of an agency is desirable, but not permissible under existing laws, the department or agency head will request such amendments to these laws as may be required to carry out this objective. Department and agency heads (in coordination with the General Services Administration when appropriate) will also take such steps as may be required by applicable statutes and regulations to secure authorizations and appropriations for land acquisition, construction, alteration, or leasing of facilities.

b. The General Services Administration. The General Services Administration will utilize the criteria contained in paragraph 3 in its continuing investigation and survey of public building needs in the National Capital region under the Public Buildings Act of 1959 and Executive Order 11035 and in reviewing the requests of each agency for new space or facilities in the region.

Whenever decentralization of an agency or activity has been determined to be desirable, the General Services Administration, in coordination with the agency concerned, will take such steps as may be required by applicable statutes and regulations to secure authorizations and appropriations for land acquisition, construction, alteration, or leasing of facilities.

c. The Bureau of the Budget. The Bureau of the Budget will provide assistance to agencies, upon request, in utilizing the criteria established by this Circular and will further refine and clarify these criteria as necessary. It will take into account these criteria in reviewing agency reorganization proposals and in reviewing agency requests for funds for new space or facilities in the National Capital region.

d. Consultation with other agencies. Agencies considering decentralization of one or more of their activities will consult with the Area Redevelopment Administration (Department of Commerce), the Civil Service Commission and the Office of Emergency Planning, on matters affecting the responsibilities of these agencies. Agencies considering relocation of existing activities involving the construction of public works or the location of new activities in the National Capital region will consult with the National Capital Planning Commission on matters affecting its responsibilities. The Bureau of the Budget and the General Services Administration will similarly consult with these agencies in reviewing agency proposals for decentralization.

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5. Report to the Bureau of the Budget. Each department and agency head will advise the Bureau of the Budget not later than September 9, 1963, of the procedural arrangements (including assignments of responsibility) that he has made for the systematic utilization of these criteria in reviewing and determining his organization's space requirements in the National Capital region.

KERMIT GORDON
Director

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